



2020 Rebates: Most Frequently Asked Questions

Why is Congress proposing to pay rebates to individuals?

The public health and economic consequences of COVID-19 are significant. These rebates help Americans afford what they need during this public health crisis, as many are experiencing a significant cash crunch.

Who is eligible for a recovery rebate?

All U.S. citizens and some non-U.S. citizens, with adjusted gross income under the limit (discussed below), who are not the dependent of another taxpayer and have a work-eligible Social Security Number, are eligible for a rebate.

Do I need a Social Security Number to qualify?

Yes. In order to receive a rebate, each taxpayer and qualifying child needs to have a work-eligible Social Security Number. For joint filers, both individuals must have a work-eligible Social Security Number.*

Those who do not have a work-eligible Social Security Number, even if they filed federal income tax returns using an ITIN, do not qualify.

*The exception is when at least one spouse was a member of the U.S. Armed Forces at any time during the taxable year and at least one spouse has a work-eligible Social Security Number.

When will the rebates be distributed?

The Internal Revenue Service (IRS) will work to deliver rebates quickly in the form of advance payments. For people who filed a federal income tax return in 2018 or 2019, payment processing will be based on payment or address information already on file with the IRS. Electronic distributions will be automatic to an account the payee authorized January 1, 2018 or later.

How large are the rebates?

The amount of the rebate depends on family size. The payment is \$1,200 for each adult individual (\$2,400 for joint filers), and \$500 per qualifying child under age 17. The advance payment of rebates is reduced by \$5 for every \$100 of income to the extent a taxpayer's income exceeds \$150,000 for a joint filer, \$112,500 for a head of household filer, and \$75,000 for anyone else (including single filers).

The rebate phases out completely for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.

Who qualifies as a child for purposes of the rebate?

Any child who is a qualifying child for the purposes of the Child Tax Credit is also a qualifying child for the purposes of the recovery rebate. In general, a child is any dependent of a taxpayer under the age of 17.

Do dependents, other than children under 17, qualify a taxpayer for an additional \$500 per dependent?

No, the additional \$500 per child is limited to children under 17.

Do rebates need to be repaid?

No, rebates do not need to be repaid. If an individual experienced an income loss in 2020 or if they have an increase in family size, they may be able to claim an additional credit of the difference when the individual files their 2020 tax federal income tax return in 2021.

How will rebates be delivered?

It depends. Rebates will be delivered automatically—by the IRS—to most Americans who file individual federal income tax returns. When available, electronic direct deposit will be used in place of mailing a physical check.

Many individuals don't need to file a tax return. Are non-filers eligible for rebates?

Yes. There is no earned income requirement to be eligible for a rebate, but non-filers may need to take additional steps to receive their rebates. The Social Security Administration will share information for Social Security (Old-Age, Survivors, and Disability Insurance) beneficiaries with IRS to help ensure these beneficiaries receive an automatic advance payment. The IRS will conduct a public awareness campaign to reach other non-filers and provide them with information on how they can access rebates.

How will a person who has recently moved access rebates?

The IRS will determine payment delivery systems for everyone entitled to rebates.

Will the rebates affect my eligibility for federal income-targeted programs?

No, the rebate is considered a tax refund and is not counted towards eligibility for federal programs.

If I have a past due debt to a federal or state agency, or owe back taxes, will my rebate be reduced?

No, the bill turns off nearly all administrative offsets that ordinarily may reduce tax refunds for individuals who have past tax debts, or who are behind on other payments to federal or state governments, including student loan payments. The only administrative offset that will be enforced applies to those who have past due child support payments that the states have reported to the Treasury Department.

The above information is for informational purposes and should not be relied on for legal advice. Individuals should consult the IRS or a tax advisor to address questions related to their individual circumstances.